Top Strategies for a Successful Self-Service Portal in Financial Services

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Introduction

As the financial industry assesses the value of digital service solutions, many organizations worldwide are concluding that providing customers with immediate access to information regardless of their location must become the top priority for both their organization's IT and customer experience (CX) teams. For most, the solution is apparent: customers have not only successfully adapted to digital service, they now require that their financial services organizations empower them with self-service tools that provide them with timely information and, more importantly, provide a seamless and connected experience.

Current Landscape: Capitalize on the Lessons of 2020

In a post-pandemic world, financial services organizations and their customers have had to implement a new customer service strategy based on lessons learned throughout 2020. They have to offer modern digital solutions that complete transactions remotely, saving time and increasing efficiency for both the organization and customer base.

Even prior to the COVID-19 pandemic, industry observers predicted that financial services organizations would reap great benefits from implementing new digital platforms. Based on recent research, both banks and their customers had already been moving toward digital service. McKinsey & Co. reported that "banks that successfully use digital technologies could … see an increase in profit by 40% from a combination of increased revenues and lower operational costs."[1]

Today, financial services organizations and their customers are demonstrating newfound confidence in digital service. Early statistics suggest the pandemic-induced shift in how transactions are resolved has been quite successful. According to JD Power's 2021 U.S. Retail Banking Satisfaction Study, "The nation's retail banks have successfully navigated a historic transformation in which a record 41% of customers are now digital-only, and although 24% of customers say they are worse off financially, overall customer satisfaction has increased."[2]

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1   McKinsey & Co., How digital collaboration helps banks serve customers better
2   021 U.S. Retail Banking Satisfaction Study

How Does the Financial Services Industry Define Self-Service?

In the financial services sector, self-service empowers customers to find the content and information they need. Not only is it how customers prefer to interact with businesses, but it also brings immediate benefits such as savings and productivity gains by reducing the number of calls into the customer support center. Today's financial services customers require a combination of digital self-service solutions and personalized service from a human customer service agent. In response to these demands, financial services organizations keen on maximizing profit while maintaining and growing their customer base will need to spend resources on strategizing and executing digital self-service.

Roadmap for a Successful Customer Portal

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For many financial institutions, COVID-19 has unlocked hidden potential, stripping away many of the barriers that organizations traditionally face in realizing the digital promise.

Deloitte and the Institute of International Finance, Realizing the digital promise: Covid-19 catalyzes and accelerates transformation in financial services

Modern customer portals customized to address the distinct requirements of the financial services industry have grown to be a critical tool in a company's arsenal for developing an engaging customer experience. Since customer portals should already be customer-facing, adding self-service is the most obvious and advantageous tactic to add value for customers and enhance the existing tool. Many financial businesses already have the knowledge and services to support self-service; they just need a focused strategy to bring everything together in an effective customer-facing solution.

What do financial organizations need to do to begin implementing self-service into their customer portals? Consider these three points:

1. Assess Your IT Infrastructure

Before adding self-service capabilities to an existing portal, financial organizations need to evaluate their current technology infrastructure. Many organizations are faced with a disjointed technology stack that will need to be restructured or, in some cases, retired. Doing this successfully will require an understanding of your organization's current technology and infrastructure:

The AI-bank transformation places several crucial demands on core technology and data infrastructure.

Robust strategy for building technology capabilities	Superior omnichannel journeys and customer experiences	Modern, scalable platform for data and analytics
Scalable hybrid infrastructure strategy for the cloud	Highly configurable and scalable core product processors	Secure and robust perimeter for access

Source: McKinsey & Co, "Beyond digital transformations: Modernizing core technology for the AI bank of the future" 2021

2. Determine How Your Organization Will Deliver Self-Service

What does self-service in a customer portal actually look like? Every financial services organization should ensure its IT and CX teams have an honest understanding of customer expectations. Here are some self-service functionalities to consider adding:

- Knowledge bases that include a browsable and searchable database of topics, articles, tutorials, and other relevant information. It might also have an FAQ or Q&A section to further expedite customers' search for the content they need.

- Social media forums that encourage knowledge exchange among customers and promote open discussions.
- Secure Account management without the help of a representative. Customers can easily edit and control their own accounts, which can include editing personal information, notification preferences, and closing accounts.
- Digital assistants, such as chatbots that provide instant self-service to customers. Especially with advancements in AI, these digital assistants will only become more effective.

3. Understand When to Use (Or Not Use) Self-Service

Just because self-service will continue to be an important digital tactic for enterprises does not mean that it will be effective to use in every situation.

Financial services customers demand their banks resolve transactions efficiently and in a personalized manner. Therefore, financial services leaders must not view self-service as a one-size-fits-all solution, carefully considering when it is appropriate to use customer self-service.

Do customers think they receive personalized products/services from their banks?

39.3%
Neither agree nor disagree

30.0%
Net agree

26.0%
Net disagree

4.7%
Don't know

Source: The future of retail banking: The hyper personalisation imperative

Here are some scenarios when self-service would not be the best means of customer service:

- Highly complicated or unique questions and situations that require human expertise

- Customers that prefer to speak to representatives instead of searching for the answer online

- Incomplete customer transactions or errors caused by faulty technology

Ultimately, consider how to best leverage self-service to scale support, so customer service representatives are using their time and skill more effectively to help customers where it really counts.

Best Practices

Based on years of experience assisting financial services organizations worldwide with their digital transformation strategies, here are some general best practices our team recommends for a successful self-service portal:

Onboard Not Only Your IT and CX Teams— onboard Your Customers, Too

Any financial services organization offering a self-service solution in a post-pandemic world should not assume every customer is ready to adopt your new platform without some guidance. If customers are unaware of what self-service functionalities are available or how they will improve their experiences, then they will not find value in these features.

Ensure that customers are educated on the benefit of the self-service portal. Update your website with accessible information that introduces them to your new platform, and offers opportunities to communicate with your customer service representatives to provide answers to questions or resolve technical issues immediately. In the end, organizations should want to showcase the value of the tool being provided to their customers and inspire confidence in their self-service portal.

Understand the Value of Self-Service for Today's Financial Services Customer

Financial organizations worldwide understand that completing financial transactions and resolving customer queries is here to stay. According to a series of 2021 studies conducted by J.D. Power, a record two-thirds (67%) of U.S. retail

bank customers used their bank's mobile app during the past year—an increase of seven percentage points from 2020—and a record 41% of bank customers are now classified as digital-only.[3]

At the same time, however, institutions must implement self-service with a full understanding that self-service is meant to elevate the existing customer service experience, not replace it. Enabling self-service is simply one more means of equipping your customers, and customer service teams must still consider how they can enhance relationships with their customers.

Moving Forward

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Banks' ability to deliver consistently through digital channels has helped reassure branch-centric holdouts and ease the large-scale transition to digital-only banking.

Paul McAdam, senior director, banking intelligence at J.D. Power

Financial services consumers are moving toward a fully connected world enabled by technology. They demand immediacy, connectivity, and simplicity in every interaction on their buying journey. Organizations that are able to provide relevant and agile customer experiences will be the ones that differentiate themselves from their competitors.

The investment and commitment put into maturing a digital customer service strategy will be well worth the benefits of optimized business efficiencies, increased agility and scalability, and ultimately, enhanced customer experiences.

Learn more about the role of self-service in the creation of personalized and connected experiences for financial services customers.

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3   Big Bank Investments in Mobile Apps Pay Dividends as Customer Volume Shifts to Digital, J.D. Power Finds

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